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VACILLATIONS IN THE ORGANIZATION  
OF SOVIET AGRICULTURE

1953-63



August 1963

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VACILLATIONS IN THE ORGANIZATION  
OF SOVIET AGRICULTURE  
1953-63

CIA/RR ER 63-23

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## FOREWORD

The administrative situation in Soviet agriculture at the time of Stalin's death in March 1953 and the administrative changes made before the end of that year are described in this report. The planning "reform" of 1955 and the adjustments of 1956 and 1957 are mentioned, and the reorganization of 1958 in which the machine tractor stations were abolished is highlighted. Subsequent changes in 1961, 1962, and March 1963 are discussed, and the administrative situation in June 1963 is described. The remaining sections include discussion of (1) the efforts to devise an acceptable organization to distribute capital goods to the farms and supervise maintenance of machines and (2) the possibilities for raising agricultural production by increasing incentives and inputs and by relaxing central control.

For a more detailed discussion of Soviet agricultural investment, procurement prices, crop structures, and production statistics than is included in this report, see the following reports: CIA/RR ER 61-34, Current Problems of Soviet Agriculture, July 1961, and CIA/RR ER 62-33, Recent Developments in Soviet Agriculture, November 1962.

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VACILLATIONS IN THE ORGANIZATION OF SOVIET AGRICULTURE  
1953-63

Summary and Conclusions

In the decade since the death of Stalin, the Soviet leadership has made numerous important changes in the administrative organization that governs the agricultural sector of the economy, but none of the administrative changes has made any noticeable improvement in output or efficiency. The leadership has vacillated between organizational forms that control many of the minute details of agriculture and, in contrast, organizational forms that permit agriculture largely to take care of itself, provided that procurement quotas are met. Another characteristic of these administrative changes is the variation in the role assigned to Party inspectors and activists as opposed to the role assigned to government technicians and bureaucrats. The result of the constant patching and renovating of the administrative structure is a continuing confusion in the "chain of command" in agriculture, and the Soviet leadership -- dominated by the ebullient Khrushchev -- still is trying to find new ways of organization that will increase both output and the level of technology.

At the close of the Stalin era, collective farms (kolkhozes) were administered by the Ministry of Agriculture,\* and state farms (sovkhozes) were administered by the Ministry of State Farms and by the Ministry of Cotton Growing. In March 1953 these ministries, along with the Ministries of Agricultural Procurement and of Forestry, were merged to form a single Ministry of Agriculture and Procurement, but before the end of the year the Ministry of Agriculture, the Ministry of State Farms, and the Ministry of Agricultural Procurement were reestablished. The Ministry of State Farms was absorbed again by the Ministry of Agriculture in 1957. The Ministry of Procurement was reorganized as the Ministry of Grain Products in 1956, and this ministry became a state committee in 1958.

\* Unless specified otherwise, titles of organizations refer to the unit at the national, or all-union, level.

These high-level changes had little effect on the individual farms themselves or on the next higher administrative level. Through the period 1953 to 1958, local officials of the Communist Party exerted great and probably growing influence on the work of kolkhozes and sovkhozes. An attempt to delegate greater planning authority to the farms themselves was made in 1955, but its effects were limited. Until 1958, machine tractor stations (MTS's) performed mechanized operations for the kolkhozes and served as supervisory agents of the Ministry of Agriculture.

In 1958 the MTS's were abolished, and their machinery was sold to the kolkhozes. Agricultural inspectorates were created under the rayon executive committees to supervise the kolkhozes for the Ministry of Agriculture.

After the January 1961 plenum of the Central Committee of the Communist Party, the Ministry of Agriculture was relieved of all duties except the supervision of agricultural research and education, and the rayon agricultural inspectorates were abolished. A State Committee for Agricultural Procurements was formed on the base of the State Committee on Grain Products and was given a comprehensive system of subordinate units. At the local level, inter-rayon procurement inspectorates were established and were given authority not only to organize procurement but also to guide production operations on both kolkhozes and sovkhozes. Despite the fact that procurement inspectorates were to work with sovkhozes as well as kolkhozes, chief directorates of sovkhozes were established at the republic level.

At the March 1962 plenum of the Central Committee of the Communist Party, it was admitted that the kolkhozes and sovkhozes were not being supervised properly, even though oblast and rayon Party committees had expanded their supervisory role after 1958. Existing administrative bodies were abolished, and both kolkhozes and sovkhozes were placed under a new system of administrative bodies. Territorial production directorates, each embracing one or more rayons, were given comprehensive authority over the farms. Above them, oblast directorates and republic ministries of production and procurement were set up. A Communist Party organizer was assigned to each territorial production directorate and was given greater power than was allocated to the nominal head of the directorate. First secretaries of the Communist Party committees of the oblasts and republics were named the top agricultural authorities in their respective areas of jurisdiction.

After the November 1962 plenum of the Central Committee of the Communist Party, separate oblast Party committees were established

to supervise agriculture on the one hand and industry and construction on the other. A bureau for agriculture and a bureau for industry and construction were established in each republic Party committee. The boundaries of rural rayons and the areas under territorial production directorates were brought into harmony, and rural rayon Party committees were replaced by Party committees of the territorial production directorates. The Party-State Control Committee was organized to expose fraud and misconduct throughout the economy.

In March 1963, various state committees were grouped under coordinating bodies subordinate to the Council of Ministers, USSR. The Ministry of Agriculture and the State Committee for Agricultural Procurements were left directly under the Council of Ministers, but the All-Union Farm Machinery Association was placed under the Council of the National Economy (Sovnarkhoz), which in turn is under the Supreme Council of the National Economy. The All-Union Farm Machinery Association\* had been established in 1961 to distribute machines and fertilizers to the farms and to operate repair shops for farm machinery. The present-day administrative structure for Soviet agriculture is depicted in the accompanying chart.\*\*

Other measures (incentives, more investment, greater authority for farm managers, and the like) doubtless would do far more to stimulate increases in production than would organizational reshuffling. More incentives resulted in greater production during 1953-58, but since then only minor changes have been made. Investments were stepped up greatly late in 1962 and early in 1963, but the results are as yet indeterminate. No evidence exists of any changes or intent to change the scope of freedom of farm managers. In the absence of any willingness to tackle these fundamental and potentially fruitful approaches, the USSR probably will continue to seek panaceas in the form of tinkering with organizational management.

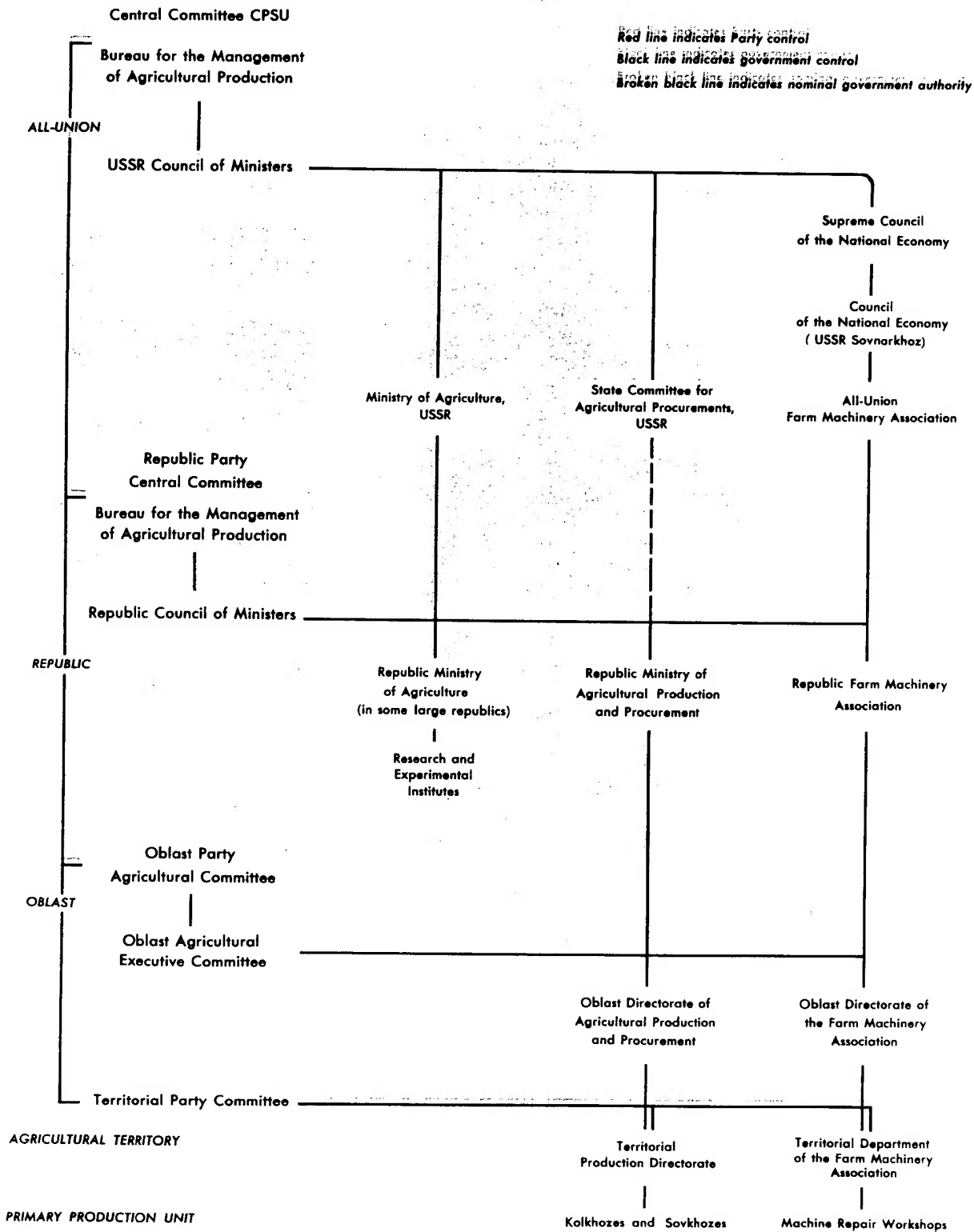
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\* All-Union Association for the Sale of Farm Machinery, Spare Parts, Mineral Fertilizers, and Other Materials and Equipment and for the Organization of the Repair and Use of Machinery on Collective and State Farms.

\*\* Following p. 4.



# USSR: THE APPARATUS FOR ADMINISTERING AGRICULTURE as of 15 June 1963



## I. Introduction

Since 1953 the Soviet leadership has striven by trial and error to organize agriculture in an ideologically acceptable manner that would stimulate large increases in production. Growth of agricultural production has lagged far behind growth of industrial production and construction ever since the 1920's, but Stalin's successors have committed themselves to the achievement of great agricultural progress. Organizational change has been one important approach to the problem of increasing agricultural production, and organizational stability has not yet been achieved.

A discussion of the administrative organization of agriculture must take account of the fact that considerable reliance is placed on informal administration through Communist Party channels in addition to formal administration through the agricultural agencies of the government. Informal administration consists of actions, often arbitrary, taken by Party officials from Khrushchev down to the lowest Party functionary to achieve particular objectives deemed by them to be important. These objectives frequently are short-run, and, to achieve them, Party officials sometimes disregard decrees, laws, long-run policies, and the dictates of common sense. Although it can be argued that formal administration was relaxed in 1955, 1958, and 1961 and was only partly retightened in 1962, informal administration was increased to prevent any relaxation of over-all supervision during the period. Changes effected in 1962 strengthened both formal and informal administration but intertwined the two and did not make a clear distinction between the agricultural duties of Party functionaries and government administrators.

A number of changes have been made in the organizations administering the farms, and other changes have affected the farms themselves. Since 1953 many kolkhozes have been consolidated into larger units, and many have been converted into sovkhozes. The number of kolkhozes declined from 91,200 at the close of 1953 to 39,800 at the close of 1962. 1/\* During the same period the number of sovkhozes rose from 4,857 to 8,571. 2/ The share of kolkhozes in the sown area fell from 84 percent in 1953 to 53 percent in 1962, while the share of sovkhozes rose from 12 percent to 44 percent.\*\* 3/ The remainder of

\* For serially numbered source references, see the Appendix.

\*\* The sown area of other state agricultural enterprises -- for example, farms attached to factories to supply the workers' dining halls -- is included in the sovkhoz share.

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the sown area was accounted for by the private plots belonging to kolkhoz members and state workers. Various pressures have been exerted on the private plots, particularly those of state workers, since 1958, causing some reduction in the number of privately owned livestock and in the total size of the private plots. Khrushchev has called for early elimination of the private plots of sovkhoz workers.

## II. From the Death of Stalin Through 1958

### A. General

From 1953 to 1958, efforts to raise agricultural output were rewarded amply. According to Soviet figures, gross agricultural production in the period 1954-58 was 35 percent above that of the preceding 5 years, and production in 1958 was 51 percent above the abysmally low level of 1953. <sup>4/</sup> This remarkable increase in production usually is ascribed to increased inputs, expanded area of cultivation, increased planting of corn, improved incentives, and better weather conditions. Labor, machinery, and fertilizers were made available in greater quantities, and the sown area was expanded by nearly one-fourth from 1953 to 1958. (Development of the new lands of Kazakh SSR and Siberia accounted for most of the expansion of the sown area.) The area planted with corn in 1958 was more than four times what it had been in 1953. In 1953, prices paid to the farms for products delivered to the state were increased sharply, as were prices paid to individuals for compulsory deliveries from their private plots. Quotas for deliveries from personal holdings were reduced in 1953 and abolished altogether on 1 January 1958. <sup>5/</sup> The "agricultural tax" on private plots was reduced greatly in 1953. As these measures increased the money incomes of the peasants, more consumer goods were made available in rural areas, and real incomes increased accordingly. Extensive changes also were made in formal agricultural administration during the 1953 to 1958 period, but these changes probably had little effect on output.

### B. Organizational Changes in 1953

Shortly after Stalin's death in March 1953, a complex Ministry of Agriculture and Procurement was formed by combining the Ministries of Agriculture, Agricultural Procurement, State Farms, Cotton Growing, and Forestry. Working through subordinate bodies at the lower levels of government, this new ministry planned and directed the work of sovkhozes and kolkhozes, supervised procurement of agricultural products, and distributed agricultural capital goods. In September 1953 the Ministry of State Farms and

the Ministry of Agricultural Procurement again were given autonomous status, and the title of the basic ministry was shortened to Ministry of Agriculture. Sovkhoz trusts of oblast subordination administered sovkhozes during this period and indeed continued to do so until 1962. After Stalin's death, agricultural inspectorates in the rayon executive committees were abolished, and increased dependence was placed on the MTS's to administer the kolkhozes. Because the MTS's performed all mechanized operations for the kolkhozes, they were in a position to observe conditions on the kolkhozes and to enforce their will in any disputes. Political sections in the MTS's gave the Party a dominant place in these local organs of the Ministry of Agriculture.

C. Further Adjustments in 1955, 1956, and 1957

In March 1955 a decree was issued that supposedly was to reform agricultural planning by delegating more authority to lower level bodies, including the kolkhozes and sovkhozes themselves. The basic idea was to restrict planning at the national level to the development of procurement plans for the most important products -- for example, grain, potatoes, cotton, meat, milk, and wool. Procurement plans for certain other products were to be drawn up at the republic level. The kolkhozes and sovkhozes were to be free to plan their own operations, subject to the limitation that their plans must provide for the fulfillment of the centrally established procurement goals. In reality, for several reasons, this "reform" of planning did not increase appreciably the autonomy of the farms. First, the existence of procurement goals closely restricted decision-making by farm officials. Second, the plans of kolkhozes were subject to influence from MTS officials -- including the powerful heads of political sections -- and review by rayon executive committees, and sovkhoz plans were subject to review by sovkhoz trusts and oblast executive committees. Third, the amount of informal administration was increased as Party officials moved into the vacuum left by the relaxation of formal administration. Party officials did not hesitate to interfere in the most petty matters and enthusiastically pressed national campaigns, the biggest one probably being the campaign to increase the planting of corn.

In 1956 the Ministry of Agricultural Procurement, the only national ministry in the family of agricultural bodies, was reorganized on a union-republic basis as the Ministry of Grain Products.\* This organization seems to have been concerned chiefly

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\* A national, or all-union, ministry is a highly centralized body that does not operate through counterpart ministries at the republic level as do union-republic ministries.

with the collection and storage of bread grains and with the operation of flour mills.

The Ministry of State Farms was merged back into the Ministry of Agriculture in 1957. On the local level, however, kolkhozes and sovkhozes continued to be administered separately.

#### D. Organizational Changes in 1958

The most radical change in agricultural organization since the collectivization drive of the 1930's was the abolition in the spring of 1958 of the MTS's, which had been a central feature of the kolkhoz system since its creation, and the sale of their machinery to the kolkhozes. This sale of property belonging to all the Soviet people (that is, to the state) to individual cooperatives seemed to be an ideological retrogression, but Chairman Khrushchev was not disturbed by ideological scruples. "We have two masters on the same land -- the kolkhoz and the MTS," he said, "and where there are two masters, there can be no good management." <sup>6/</sup> The MTS's were, according to Khrushchev, a brake on further agricultural progress. They were broken up, and their agricultural machinery was sold to the kolkhozes on a time-payment basis. Responsibility for immediate supervision of the kolkhozes passed into the hands of agricultural inspectorates under the rayon executive committees. The shops of the MTS's were turned into repair technical stations (RTS's) to service the machines sold to the kolkhozes and to distribute new machines and supplies to them. The elimination of MTS's precipitated a reform in the system of state procurement of agricultural products. Payment in kind by the kolkhozes to the MTS's came to an end, and the old custom of paying low prices for compulsory deliveries to the state and much higher prices for additional deliveries was discontinued. All state procurements were to be conducted as purchases at prices fixed considerably above the former prices for compulsory deliveries. Higher prices were to be paid in zones having higher average costs of production. Compulsion, however, was not eliminated from agricultural procurement. Delivery targets continued to be established for the farms, and pressures for their fulfillment were continued. Also in 1958 the Ministry of Grain Products became the State Committee on Grain Products.

The abolition of the MTS's in the spring of 1958 must have disrupted agricultural administration. Nevertheless, the harvest of 1958 was a good one, and optimistic planners wrote into the Seven Year Plan (1959-65) an increase in agricultural production of 70 percent above the level of 1958.

### III. Further Changes in 1961, 1962, and 1963

#### A. General

If the abolition of the MTS's unleashed productive forces on the kolkhozes, as Khrushchev implied it would, this result has not yet become apparent. The grain harvest of 1958 was not equaled in 1959, 1960, or 1961. Not until in 1962 did official reports claim that the grain harvest of 1958 had been exceeded. 7/ Total agricultural output in 1962 was slightly above that of 1958, according to official claims, but it was far below the level called for in the plan. Soviet figures on agricultural production typically are inflated, and total production in 1962 probably was almost the same as in 1958. This lag in agricultural production, coupled with other aggravating problems such as fraudulent reporting; inefficient organization of maintenance and repair work; and shortages of machinery, spare parts, and fertilizer, caused rumbles of dissatisfaction within the leadership that resulted in the intensification of informal administration and the introduction of a series of changes in the formal administrative structure.

#### B. Changes in 1961

The January 1961 plenum of the Central Committee of the Communist Party led to the dissolution of the rayon agricultural inspectorates, the reduction of the Ministry of Agriculture to a body supervising agricultural research and education, and the establishment of a unified and comprehensive procurement system.\* The procurement system, headed by a State Committee for Agricultural Procurements formed on the base of the State Committee on Grain Products, was to provide central direction to the many organizations that collect farm products purchased by the state.\*\*

The new procurement system also represented the culmination of efforts by the Soviet leadership to manage farm production through the medium of state procurement. As noted above, state agricultural planning ostensibly had been reduced to the planning

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\* For changes made early in 1961 in the system of supplying capital goods to agriculture, see IV, p. 17, below.

\*\* These organizations include republic societies for grain products and chief directorates for the procurement and fattening of cattle, consumers' cooperatives, organizations under the trade ministries, workers' supply divisions of industrial and construction enterprises, and organizations that process agricultural products.

of procurements in 1955. The revamping of the procurement apparatus in 1961 was an admission that the planning of procurements could not guide agricultural production effectively unless further steps were taken to insure compliance with the plan by the farms. Working through rayon and inter-rayon procurement inspectorates, the new system was "to conduct organizational work on the kolkhozes and sovkhozes to increase the output of farm products" and to unify the organization of purchases and bring about a "proper coordination of business relations between the kolkhozes and sovkhozes on the one hand and industrial enterprises receiving farm products on the other." 8/

The new procurement system was constructed hastily in 1961 and soon ran into difficulties. Output and procurements in 1961 were far below expectations, and major causes of these shortcomings were said to be poor guidance of the farms by the procurement inspectorates and the failure of the inspectorates to improve relations between the farms and the organizations receiving their products. The Chairman of the State Committee for Agricultural Procurement, N.G. Ignatov, was dropped from the Presidium of the Communist Party in October 1961. In November, Khrushchev was saying, "It is necessary to consider rationally how to organize better the work of procurement organs." 9/ In December a conference of farm managers and specialists in Kiev applauded a proposal to abolish procurement directorates in the Ukrainian SSR. No doubt the setting up of the procurement organizations had introduced a certain amount of confusion in agricultural operations, and, in many rayons, crops had been or were being planted by the time procurement inspectorates began to operate. Perhaps a year or two of experience would have improved the work of the procurement inspectors. Nevertheless, the procurement system was criticized sharply at the March 1962 plenum of the Central Committee of the Communist Party, and all of its organizations below the national level were abolished after a scant year of existence, a period in which it could not possibly have reached its potential level of effectiveness.

### C. Reorganization of March 1962

#### 1. Recognition of the Need for Reorganization

A decree issued by the Party and government on 22 March 1962 incorporated the proposals made by Khrushchev at the March plenum for a reorganization of agricultural management. It began with a statement of the need for organizational reforms:

The March plenum of the Central Committee of the Communist Party of the Soviet Union demonstrated that the existing structure of agricultural management does not correspond to heightened demands. It restricts the possibilities of using the reserves contained in socialist agriculture, and it needs to

be fundamentally reorganized. In the country there is, in effect, no organ that can manage agriculture properly, concern itself with the organization of production and procurement, delve deeply into the needs of collective and state farms, and make certain that there is the most effective use of land, machinery, and other means of production. 10/

2. Establishment of Territorial Production Directorates for Agriculture

The decree then proceeded to order the establishment of a new structure of organizations to manage production, procurement, planning, and other agricultural activities. The principal innovations in the new structure were the installation of Communist Party officials in key positions and the establishment of territorial production directorates to serve as the primary units of administration.\* The territorial production directorates were given a comprehensive list of duties. According to the decree, they were made responsible:

For the organization, execution, and control of the implementation of the decisions of the party and government on agriculture, the production and procurement of agricultural products, and the strict observance of state discipline; for administering the organization of production and procurement of agricultural products, and insuring the fulfillment of production and state procurement plans by each collective and state farm; for the planning, calculation, and accounting of the production and procurement of agricultural products; for examining the production and financial plans and the yearly accounting of collective and state farms; for working out and introducing rational systems of crop husbandry and an effective crop structure in the sown areas ... ; for the organization and highly productive use on the collective and state farms of machinery and other means of production; for the organization of seed-growing and control over insuring that collective and state farms have their own high-grade seeds; for administering the service for protecting plants from disease and pests; for the organization and creation on every collective and

\* Although most territorial directorates were set up to exercise jurisdiction over two or more rayons, a few were restricted to single rayons because of special conditions.



state farm of a stable fodder base through the extensive introduction of the sowing of corn, sugar beets, peas, beans and other high-yield crops ... ; for insuring an increase in the productivity of all types of cattle and fowl, the organization of pedigreed breeding, and the maintenance of a veterinary service for livestock farming; for carrying out measures for the organizational and economic strengthening of the collective and state farms and their transformation into profitable agricultural enterprises with a high output of marketable produce; for the administration of intercollective farm enterprises and organizations, for the organization and conclusion of contract agreements on agricultural produce and raw material by the collective and state farms; for control over the correctness of the determination by reception points and enterprises of the quantity and quality of agricultural products and raw materials procured, and also for the correctness and good timing of the accounts in collective and state farms; for insuring control over the observance of the agricultural artel statute, and the democratic bases of the management of collective farm production; for the correct balancing of the personal and communal interests of the collective farmers; for carrying out control and revision work on the collective and state farms; and for the protection of the collective and state farms from misuse and embezzlement of their property.

The prime duty of the territorial production directorates ... is to organize correctly the production, norming and remuneration of labor on collective and state farms, to practice broadly the supplementary remuneration of labor in all branches of collective farm production, and to manage the piece-rate bonus system of labor remuneration in all branches of state farm production ... . The territorial production directorate must extend the introduction of the achievements of science and the experience of the model and other best farms, insuring on this basis a steady rise in the yield of agricultural crops and the productivity of stockbreeding on all farms. One of the main tasks in the work of the territorial production directorates is the reinforcement of farms with cadres, selecting leading cadres and specialists and training them in progressive methods of work. 11/

In brief, the territorial production directorates were to direct all the activities of sovkhoz, kolkhoz, and inter-kolkhoz organizations and to accomplish certain auxiliary functions as well.

Each territorial production directorate was given inspector-organizers to serve as the agents of the directorate, working in direct contact with the farms. These men were to study the operation of the farms, recommend changes in the conduct of their work, and negotiate procurement contracts between the farms and the organizations that collect products for the state. Inspector-organizers allegedly were to work through the boards of kolkhozes and administrations of sovkhozes, and the decree states that the latter bodies are to have the final say in questions of production. Inspector-organizers, however, were authorized to report refusals to comply with their recommendations to the territorial production directorates for appropriate action.

A Communist Party organizer of the republic or oblast Party committee was installed in each territorial production directorate. The Party organizer was made responsible to the Party committee that appointed him rather than to the head of the territorial production directorate and was given two to four instructors as assistants. The duties of the Party organizer ostensibly were centered on the conduct of organizational and mass political work but included extensive responsibilities and authority in other work. He was to take measures to insure increases in agricultural productivity and yields and the proper execution of the duties of the territorial production directorates. He was to bring about reforms in incentive payment systems and to control the selection, placement, and training of cadres on the farms. He was made responsible for increasing the effectiveness of the crop structure, spreading the use of advanced techniques, enforcing the observance of proper procedures in the use and care of machinery and other capital goods, and guiding the work of Komsomol organizers assigned to the territorial production directorates to instruct the rural youth and mobilize them for Party projects. 12/

The Party organizer -- the most powerful figure in the territorial production directorate -- was put in a position analogous to that of the head of the political section of the former MTS. His authority actually extended over all local agricultural matters, and, unlike the Party functionary of the MTS, he was given authority over sovkhozes as well as kolkhozes. Sovkhozes were placed more directly under Party control than at any time in recent memory. As the representative of the oblast Party committee, the Party organizer was given greater authority than that of the nominal head of the territorial production directorate or that of the first secretary of the rayon Party committee. Efforts were made to alleviate frictions that soon developed between the Party organizer and other officials -- particularly the first secretary of the rayon Party committee -- by clarifying the extent of the power of

the Party organizer. In July 1962 a decree made the first secretary of the rayon Party committee a deputy of the Party organizer.

The staffing of the territorial production directorates in the Ukrainian SSR was revealed in July 1962, and it is probable that a similar pattern of staffing occurred in the remainder of the USSR. Party organizers were selected from among "the best secretaries" or rayon Party committees. Of the heads of territorial production directorates, 85 were first secretaries of rayon or city Party committees; 43 were chairmen of rayon executive committees; 49 were chiefs of oblast directorates of agriculture, sovkhozes, or procurement organs; and 13 were chiefs of departments of oblast Party committees or deputy chairmen of oblast executive committees. Of the 2,338 inspector-organizers, 2,034 were agronomists, zootechnicians, or other types of agricultural specialists. All 2,338 were said to have had considerable experience in economic and organizational work. 13/

Councils of production management were formed under the chairmanship of the heads of territorial production directorates. These councils comprise chairmen of kolkhozes, directors or sovkhozes, first secretaries of rayon Party committees, heads of departments of the All-Union Farm Machinery Association, and the Party and Komsomol organizers. The councils were to convene only about once every 3 months and seem to have been considered of little importance.

### 3. New Administrative Organs at the Oblast, Republic, and National Levels

In oblasts, directorates of agricultural production and procurement were formed under the first deputies of the executive committees, apparently to administer and manage the territorial production directorates. They also were made responsible for agricultural production and procurement and for seed cultivation and questions of plant protection, pedigreed stockbreeding, veterinary matters, soil improvement, and land use. The appointment of first deputies of oblast executive committees to head the oblast directorates was a mark of their importance. All organizations at the oblast level that were directly concerned with agriculture were subordinated formally to agricultural committees composed of the heads of all oblast agricultural organizations under the chairmanship of the first secretaries of the oblast Party committees.

The new arrangement at the republic level was similar to that in the oblasts. Here ministries of agricultural production and procurement were formed on the basis of the former organizations supervising procurement and managing sovkhozes, and, in small republics, they also absorbed the ministries of agriculture. The duties of these ministries were not listed, but they were centered on the management

and administration of lower echelon organizations of production and procurement. Responsibility for the over-all supervision of agricultural activities was assigned formally to agricultural committees made up of the heads of all republic agricultural bodies under the chairmanship of the first secretaries of the Party central committees of the republics.

The order to form agricultural committees at the oblast and republic levels formalized and emphasized the responsibilities of Communist Party first secretaries in agriculture. These committees were given no administrative structures of their own, however, and their intended role was not fully explained.

The heads of agricultural organizations at the national level were named members of a Union Agricultural Committee. N.G. Ignatov, who previously had been removed from the Presidium of the Central Committee of the Communist Party, was appointed chairman of the agricultural body, and the duties outlined for the committee involved mere verification and checking of activities in or affecting agriculture. No administrative structure was given to the new committee.

#### D. Changes in November 1962

Khrushchev in his report to the Party plenum of November 1962 endorsed the agricultural administrative system as follows: "The March plenum of the Party Central Committee has drawn up a well-designed and, as it appears to me, a good system for the management of agriculture." <sup>14/</sup> He did find it necessary to reduce the areas administered by most territorial production directorates, increasing their number from about 960 to about 1,500 because of "the cumbersome nature of certain existing territorial production directorates." <sup>15/</sup> He also brought about extensive changes in the structure of the Communist Party that were intended to improve Party leadership in economic activities. The rayon Party committees were replaced by Party committees of the territorial production directorates. Party organizers presumably became the chairmen of these committees. The boundaries of rural rayons themselves were expanded to coincide with the new jurisdictional boundaries of the production directorates and their Party committees. The Party committee in each oblast was replaced by two committees, one to guide industrial production, the other to guide agricultural production. (Exceptions to this system of dual committees may be found in oblasts where either industry or agriculture is of little importance.) The Party committees of republics were not replaced, but, within each one, two bureaus were established under a presidium, one to manage industrial production and one to manage agricultural production. In the RSFSR, where the highest Party body has been the Bureau for the RSFSR within the Central Committee of the Communist Party, two additional bureaus of

the Party were established, one to manage industrial production and one to manage agricultural production. Separate bureaus for managing industrial and agricultural production in the USSR as a whole also were established in the Central Committee of the Communist Party.

The oblast and republic agricultural committees were not mentioned in the speeches and reports of the November 1962 plenum. Because the Communist Party has been reorganized along production lines to emphasize and strengthen the role of Party officials in agriculture and other economic activities, there seems to be no need for the oblast and republic agricultural committees, and these committees may no longer be functioning. The Union Agricultural Committee also may have passed out of existence. It was ignored at the November plenum, and N.G. Ignatov's position as chairman of this committee was not mentioned in reports of Ignatov's replacement as chairman of the State Committee for Agricultural Procurements by his former deputy, L.R. Korniyets, in January 1963. 16/

The November 1962 plenum of the Central Committee of the Communist Party led to the formation of the Party-State Control Committee, a joint organ of the Party and government intended to expose fraud and misconduct wherever they exist in the economy. This organization absorbed the State Control Commission, which had been formed from the Soviet Control Commission in 1961. Although these organizations have been concerned with all sectors of the economy, exposures of fraud and misconduct in agriculture have been especially common and may have precipitated the reforms in control organizations. In 1961, publicity concerning agricultural scandals reached a peak. Numerous chairmen of kolkhozes, directors of sovkhozes, and officials of Party and government (ranking as high as the Party first secretary and the Chairman of the Council of Ministers of Tadzhik SSR) were dismissed from their posts and punished for implication in the scandals. Some increase in fraudulent practices by kolkhoz chairmen may have resulted from the discontinuing of close observation through the MTS's, but another explanation must be found for the aberrations of sovkhoz directors and officials of Party and government. The principal cause of fraud at all levels is the pressure exerted on all responsible persons in agriculture to report an unbroken series of successes. To some degree this fraud surely has been present for many years, but recent increases in pressure probably have increased its incidence.

#### E. Changes in March 1963

In March 1963, adjustments were made in the central economic administrative structure of the USSR that had some effect on agriculture. The State Committee for Agricultural Procurement and the Ministry of Agriculture were left directly under the Council of Ministers; however,

the All-Union Farm Machinery Association was placed under the Council of the National Economy (USSR Sovnarkhoz). Besides directing the regional councils of the national economy, the USSR Sovnarkhoz is to supervise the implementation of state plans by the All-Union Farm Machinery Association and the State Committees for the Fish Industry and Domestic Trade. The Supreme Council of the National Economy (VSNKh) was created to coordinate the work of the State Planning Committee, the USSR Sovnarkhoz, the State Committee for Construction Affairs, and state branch and production committees.

Also in March the replacement of K.G. Pysin as Minister of Agriculture was announced. <sup>17/</sup> The appointment of I.P. Volovchenko, an obscure sovkhos director, to succeed him is an indication of the greatly reduced role of this ministry. The ministries of agriculture of the 10 smallest republics were abolished in 1962, and in April 1963 the Ministry of Agriculture of Uzbek SSR and apparently that of the RSFSR also were abolished. It seems likely that the remaining republic ministries of agriculture will be eliminated soon.

#### F. Situation in June 1963

In June 1963, three agricultural organizations were in operation at the national level. These are the Ministry of Agriculture, which supervises agricultural research and education; the State Committee for Agricultural Procurements, which supervises procurement, storage, and processing of agricultural products; and the All-Union Farm Machinery Association, which supervises the distribution of capital goods to the farms and the maintenance and repair of farm machinery. Interestingly enough, there is no formal government body at the national level that is uniquely responsible for agricultural production. The highest government organizations with authority over the operation of kolkhozes and sovkhoses are the ministries of production and procurement at the republic level. Between these ministries and the farms are oblast directorates of agricultural production and procurement and local agricultural production directorates. Communist Party organs supervise all agricultural organizations at all levels, usually on an ad hoc, semi-formal basis.

#### IV. Changes in the Organization of the Distribution and Maintenance of Capital Goods

The transfer of machinery from MTS's to the kolkhozes aggravated problems of distributing capital goods and supervising their maintenance. At the end of 1957, machines were being distributed from the factories to 5,900 sovkhoses and 7,900 MTS's. Distribution and maintenance of these machines was supervised by the Ministry of Agriculture. A year later, machines were being distributed to 6,000 sovkhoses and

67,700 kolkhozes, and problems of distribution had been aggravated greatly. <sup>18/</sup> Much of the repair work for machines owned by kolkhozes was being performed by the RTS's, which had been formed on the base of the MTS's, but many kolkhozes were trying with varying degrees of success to perform the bulk of their own repair work. At the end of 1959, there were 3,500 RTS's under the Ministry of Agriculture. <sup>19/</sup> The following year these were reorganized as machine repair workshops and were relieved of their sales and supply functions. <sup>20/</sup> Republic offices for oil supply and sales under republic Gosplans were made responsible for providing petroleum products to the farms. A unified organization for agricultural supply was set up in each republic to distribute machinery, spare parts, and mineral fertilizers to the farms. Deliveries of machines nevertheless continued to be haphazardly timed, and machines were sent where they were not needed. The long-standing shortage of spare parts continued, and the product mix of machine plants probably was poor. There was no means by which the farms could influence the production plans of farm machinery plants.

The quality of maintenance and repair of farm machinery probably declined after the MTS's were broken up. Skilled machine operators and repairmen were spread thinly among the farms and shops. Farms lacked maintenance and repair equipment and even buildings for sheltering their newly acquired machines. Repair technical stations or machine repair workshops under the Ministry of Agriculture and repair shops that had been turned over to the regional councils of the national economy did not provide an adequate supplement to the limited repair facilities of the farms themselves. In some cases these councils of the national economy, which were basically oriented toward industry and construction, converted former MTS facilities to perform nonagricultural functions.

In an effort to improve the situation in the supply of machinery, parts, and fertilizers and in the repair and maintenance of farm machines, the Communist Party and the Soviet government -- by a decree published in Pravda on 21 February 1961 -- gathered these functions under the new All-Union Farm Machinery Association. This organization, having the status of a state committee, was given subdivisions at the republic, oblast, and rayon or inter-rayon levels. The All-Union Farm Machinery Association was to eliminate shortcomings in the assortment and distribution of agricultural capital goods by serving as a middle-man between the farms and the factories, and it was to operate the machine repair workshops that had been under the Ministry of Agriculture. (Other repair facilities were retained by kolkhozes, sovkhoses, and regional councils of the national economy.) To improve the care and use of machines on sovkhoses and particularly on kolkhozes, local branches of the All-Union Farm Machinery Association were given inspectors with the authority to investigate on the farms and reprimand or fine those

responsible for the abuse or neglect of farm machinery. The hand of these inspectors was strengthened by a decree of 29 December 1961 that made maltreatment of farm machinery a crime punishable by prison sentences of up to 3 years. 21/\*

This system probably has mitigated some difficulties, but it has not eliminated the problems in the supply, repair, and care of machines and other capital goods. Recognition of continuing problems in these areas frequently appears in Soviet publications:

In the planning and delivery to the New Lands of equipment, particularly harvesting equipment, astonishing confusion and irresponsibility are permitted. There are more than a few examples of a farm receiving a combine while its header is sent to another place. In Oktyabr' Rayon, Kustanay Oblast, 53 combines have stood without cutting devices for three years. In Rassvet Sovkhoz near Tselinograd, 14 "SK-3" combines were received as early as 18 August of last year; after half a month, eight cutting devices came to them, but the remaining machines stand incomplete to this day [July 62]. 22/

Serious alarm is raised by the state of preparation of harvesting equipment in the present year. In Tselinnyy Kray over 35,000 combines and about 25,000 reapers were not reconditioned by 1 July. In Pavlodar Oblast only one-fifth of the combines and reapers are prepared. 23/

The clutch pedal of the "SK-3" combine is a simple item. But because it is lacking, about 300 combines in Aktyubinsk Oblast alone cannot go into the fields. ... For a long time the oblasts appealed to Alma-Ata: "We need hubs for the speed variator disks of our combines." Back would come the answer from the Kazakh capital: "We will send them; republic plants are making them." But months passed, and the needed parts did not arrive. The repair of more than 10,000 combines could not be completed ... . An intolerable negligence has been shown in Kazakhstan. At the same time, it is incomprehensible why the officials of the All-Union Farm Machinery Association and Gosplan, USSR, fail to exercise supervision over the supplier plants ... . It would be a mistake to ascribe the lag in preparing the machinery for the

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\* This decree is interesting in that it makes it a criminal offense to abuse or neglect machines owned by cooperatives, the kolkhozes, as well as those owned by the state.



harvest to shortage of spare parts alone. Only slightly more than half of the combines in Kazakhstan have been overhauled, and not even that many reapers ... . Last year 9,000 tractors and about 20,000 combines here [in Tselinnyy Kray] never did get prepared for the harvest. 24/

At present [March 1962] one-third of the motor vehicles of kolkhozes and sovkhoses [in L'vov Oblast] stand idle because of the lack of tires. 25/

[The Party-State Control Committee] points out that 500,000 tons of fertilizers are lying at railway stations. 26/

Last year out of 640 enterprises producing spare parts for tractors and agricultural machines, 149 did not fulfill the plan ... . Altogether last year tractor and agricultural machine building enterprises turned out 46.3 million rubles worth of spare parts less than required. This year [1963] the deficit of the plants continues to grow ... . Recently, representatives of the All-Union Farm Machinery Association checked the fuel spray nozzles received at the Rostov Oblast base of the association. Out of 2,156 parts, nearly 1,500 turned out to be unsuitable ... . The picture is the same in other enterprises too. In 30 tractor and agricultural machine building plants and at 17 trade bases, the All-Union Farm Machinery Association examined the quality of parts. And here is the result: at the Kirovograd plant "Krasnaya zvezda" 43 percent of the examined parts were condemned, at the Kursk tractor parts plant 33 percent, at L'vovsel'mash 32 percent, at Gomsel'mash 23 percent, at Rostsel'mash 20 percent, etc. 27/

In January 1963, A.A. Yezhevskiy was appointed Chairman of the All-Union Farm Machinery Association, succeeding P.S. Kuchumov, who had headed the organization since its creation in 1961. Although the organization has been subjected to almost continuous criticism over a long period, it has been retained almost in its original form. 28/

#### V. Other Possibilities for Stimulating Production

It is obvious that the Soviet leadership is dissatisfied with the level of agricultural production that has prevailed since 1958, and it is likely that they will introduce further changes, including some of an organizational nature, in order to raise the level of production.

Increases in material incentives seem to have been effective stimulants to production in the first years of the post-Stalin era, and it is likely that further increases also would be effective. Production in the private subsidiary economies of kolkhoz members and sovkhoz workers rose in response to reductions in taxes and compulsory delivery quotas after Stalin's death, but ideological considerations have led to a gradual tightening of restrictions on activities of this nature since 1956. It is not likely that the present leadership will change this policy of discouraging work in the private subsidiary economies. Increases in prices paid by the state for agricultural products after the death of Stalin stimulated production in socialized agriculture, and more recently this approach was tried again. Prices for meat and butter were raised in 1962 to a level that was supposed to cover average cost, and prices for cotton were raised in 1963. The difficulty in making this sort of incentive effective is the problem of distributing the increased incomes of the farms in a manner that will stimulate the efforts of individuals. Wage scales and work norms were revised on sovkhozes in 1956 and 1962 in attempts to increase and improve the work of the sovkhoz workers, but the effects of these revisions seem to have been slight. Work norms have been revised on some kolkhozes in recent years, and some kolkhozes have begun to pay regular advances rather than distributing all income payments at the end of the agricultural year. Many, probably most, kolkhozes are too poor to pay such advances, however, and some that tried were unable to continue the practice. It seems doubtful that many kolkhozes have accomplished thorough reforms of work norms, but little information is available on the subject. The problem of providing adequate incentives to individual effort has not yet been solved in socialized agriculture.

Production of agricultural machinery and mineral fertilizers was increased significantly in 1962 and early in 1963. These increases and increases in other types of agricultural investment by the kolkhozes and by the state could have noticeable effects on 1963 crops. If the trend of increase is continued, important long-run gains will be achieved.

A campaign to introduce a more effective crop structure began with the 1962 season. This campaign probably will bring some short-run gains, but its long-run value is questionable.

Some observers believe that none of the approaches to the problem of lagging production discussed above will be very successful unless formal and informal administration of the farms is relaxed greatly and unless farm managers are allowed to work with a minimum of interference from above. Perhaps such a view is too extreme, but a relaxation of administration surely would be beneficial. There is as yet no indication that the Soviet leadership accepts this point of view.

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